

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL

F-552

STATE OF CALIFORNIA
STATEMENT OF FEDERAL LAND PAYMENTS
OCTOBER 1, 1983 THROUGH SEPTEMBER 30, 1984

JULY 1985



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STATE OF CALIFORNIA
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Thomas W. Hayes
Auditor General

July 19, 1985

F-552

Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning payments received from the federal government for activities on federal lands located in California. The report certifies that \$26.4 million of the monies received for activities on federal land were distributed to various local governments to compensate them for lost property taxes on federal lands.

Respectfully submitted,

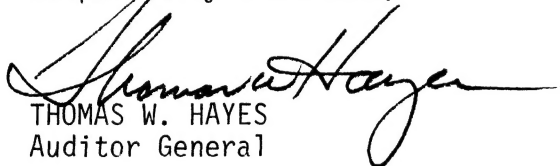

THOMAS W. HAYES
Auditor General

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INTRODUCTION

In compliance with Federal Department of the Interior regulations, we have audited the State of California's Statement of Federal Land Payments. We conducted this audit under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code.

To comply with federal laws and regulations, the State must submit to the United States Secretary of the Interior an audited statement of amounts that the State has received from the federal government and transferred to local governments within the State under certain federal payment laws. These payments compensate for the property taxes that local governments would have collected on tax-exempt federal land.

The United States Department of the Interior provides the format for the Statement of Federal Lands Payments and provides an audit guide that sets forth the audit standards and audit report requirements.

From October 1, 1983, through September 30, 1984, the State of California received \$100.5 million under federal payment laws. Of this total, the State transferred \$26.4 million to eligible local governments. The transfers to eligible local governments are shown in

the Statement of Federal Land Payments. In accordance with state laws, the State also transferred \$67.8 million to school districts or county school service funds and retained use of \$6.3 million for other purposes.

The State's reporting and administration of federal land payments comply with federal laws and regulations.



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To the Joint Legislative Audit Committee of the California Legislature:

We have examined the State of California's Statement of Federal Land Payments covering the period from October 1, 1983, through September 30, 1984. Federal law requires that the Governor or the Governor's delegate submit this statement to the Bureau of Land Management within the Department of the Interior. We made our examination in accordance with both the standards for audit of governmental organizations, programs, activities, and functions, issued by the Comptroller General of the United States, as they apply to financial and compliance examinations, and the Audit Guide for the Bureau of Land Management Payments in Lieu of Taxes Program prepared by the Office of the Inspector General, U.S. Department of the Interior. Our examination included such tests of the accounting records and such other auditing procedures as we considered necessary under the circumstances.

The Statement of Federal Land Payments was prepared on the basis of cash disbursements made by the State of California to counties of the State for distribution to eligible units of local government under Title 31, United States Code, Section 6901 et seq. This basis of reporting federal land payments is prescribed by U.S. Department of the Interior Rules and Regulations (Title 43, Code of Federal Regulations, Section 1881.0-5) and is in accordance with the provisions of the October 16, 1978, decision of the Comptroller General of the United States (B-167553). The Statement of Federal Land Payments is not intended to be presented in conformity with generally accepted accounting principles. This report is intended solely for filing with governmental regulatory agencies and is not intended for any other purpose.

In our opinion, the Statement of Federal Land Payments for the period from October 1, 1983, through September 30, 1984, presents fairly the payments made by the State of California to counties of the State for distribution to qualified units of local government under Title 31, United States Code, Section 6901 et seq., in accordance with the regulatory requirements pertaining to the basis of accounting described in the preceding paragraph, a basis that was applied in a manner consistent with that of the preceding year.

OFFICE OF THE AUDITOR GENERAL

KARL W. DOLK, CPA
Deputy Auditor General

Date: June 10, 1985

Staff: Richard LaRock, CPA, Audit Manager
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STATE OF CALIFORNIA
STATEMENT OF FEDERAL LAND PAYMENTS
OCTOBER 1, 1983 THROUGH SEPTEMBER 30, 1984

LOCAL UNIT	FEDERAL AGENCY MAKING PAYMENT AND TYPE OF PAYMENT										TOTAL	RECOMMENDED ADJUSTMENTS	RECOMMENDED FOR ACCEPTANCE
	USFS NATIONAL FORESTS	USFS BANKHEAD- JONES	BLM MINERAL LEASING	BLM TAYLOR GRAZING SEC. 3	BLM GRAZING SEC. 15	BLM BANKHEAD- JONES	BLM SALE MATERIALS	FERC POWER SALES	FWS REFUGE REVENUE SHARING				
051001001 ALAMEDA COUNTY	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$0	\$0	\$0	\$0	\$ 0	\$ 0	\$ 0	0
051002002 ALPINE COUNTY	303,336	0	0	297	0	0	0	0	0	303,633	0	0	303,633
051003003 AMADOR COUNTY	161,345	0	0	0	328	0	0	0	0	161,673	0	0	161,673
051004004 BUTTE COUNTY	297,197	0	0	0	594	0	0	0	0	297,791	0	0	297,791
051005005 CALAVERAS COUNTY	132,885	0	0	0	720	0	0	0	0	133,605	0	0	133,605
051006006 COLUSA COUNTY	60,636	0	531	0	306	0	0	0	0	61,473	0	0	61,473
051007007 CONTRA COSTA COUNTY	0	0	0	0	0	0	0	0	0	0	0	0	0
051008008 DEL NORTE COUNTY	657,115	0	0	0	0	0	0	0	0	657,115	0	0	657,115
051009009 EL DORADO COUNTY	1,010,651	0	0	0	134	0	0	0	0	1,010,785	0	0	1,010,785
051010010 FRESNO COUNTY	885,099	0	0	0	15,889	0	0	0	0	900,988	0	0	900,988
051011011 GLENN COUNTY	174,984	0	0	0	314	0	0	0	0	175,298	0	0	175,298
051012012 HUMBOLDT COUNTY	483,884	0	0	0	792	0	0	0	0	484,676	0	0	484,676
051013013 IMPERIAL COUNTY	0	0	249,070	0	0	0	0	0	0	249,070	0	0	249,070
051014014 INYO COUNTY	241,258	0	508,650	4,774	2,537	0	0	0	0	757,219	0	0	757,219

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	USFS NATIONAL FORESTS	USFS BANKHEAD-JONES	BLM MINERAL LEASING	BLM TAYLOR GRAZING		BLM BANKHEAD-JONES	BLM SALE MATERIALS	FERC POWER SALES	FWS REFUGE REVENUE SHARING	TOTAL	RECOMMENDED ADJUSTMENTS	
				SEC. 3	SEC. 15							
051015015 KERN COUNTY	147,543	0	35,524	2,267	10,219	0	0	0	0	195,553	0	195,553
051016016 KINGS COUNTY	0	0	0	0	1,541	0	0	0	0	1,541	0	1,541
051017017 LAKE COUNTY	237,571	0	1,057,324	0	775	0	0	0	0	1,295,670	0	1,295,670
051018018 LASSEN COUNTY	1,682,511	0	145,636	10,127	0	0	0	0	0	1,838,274	0	1,838,274
051019019 LOS ANGELES COUNTY	75,175	0	0	0	48	0	0	0	0	75,223	0	75,223
051020020 MADERA COUNTY	359,972	0	0	0	331	0	0	0	0	360,303	0	360,303
051021021 MARIN COUNTY	0	0	0	0	0	0	0	0	0	0	0	0
051022022 MARIPOSA COUNTY	218,115	0	0	0	2,800	0	0	0	0	220,915	0	220,915
051023023 MENDOCINO COUNTY	164,132	0	28,137	0	598	0	0	0	0	192,867	0	192,867
051024024 MERCED COUNTY	0	0	0	0	518	0	0	0	0	518	0	518
051025025 MODOC COUNTY	1,128,097	0	53,564	2,464	560	0	0	0	0	1,184,685	0	1,184,685
051026026 MONO COUNTY	251,434	0	187,182	1,963	657	0	0	0	0	441,236	0	441,236
051027027 MONTEREY COUNTY	10,074	0	0	0	1,764	0	0	0	0	11,838	0	11,838

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051028028 NAPA COUNTY	0	0	32,904	0	237	0	0	0	0	33,141	33,141
051029029 NEVADA COUNTY	287,772	0	0	0	111	0	0	0	0	287,883	287,883
051030030 ORANGE COUNTY	7,943	0	0	0	0	0	0	0	0	7,943	7,943
051031031 PLACER COUNTY	579,237	0	0	0	27	0	0	0	0	579,264	579,264
051032032 PLUMAS COUNTY	1,994,477	0	30,609	17	379	0	0	0	0	2,025,482	2,025,482
051033033 RIVERSIDE COUNTY	35,243	0	31,236	0	2,398	0	0	0	0	68,877	68,877
051034034 SACRAMENTO COUNTY	0	0	0	0	0	0	0	0	0	0	0
051035035 SAN BENITO COUNTY	0	0	0	0	9,106	0	0	0	0	9,106	9,106
051036036 SAN BERNARDINO COUNTY	95,518	0	119,801	505	46,775	0	0	0	0	262,599	262,599
051037037 SAN DIEGO COUNTY	11,120	0	0	0	3,229	0	0	0	0	14,349	14,349
052038001 SAN FRANCISCO COUNTY	0	0	0	0	0	0	0	0	0	0	0
051039038 SAN JOAQUIN COUNTY	0	0	0	0	0	0	0	0	0	0	0
051040039 SAN LUIS OBISPO COUNTY	6,248	0	10,471	0	11,848	0	0	0	0	28,567	28,567

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051041040 SAN MATEO COUNTY	0	0	0	0	0	0	0	0	0	0	0
051042041 SANTA BARBARA COUNTY	20,800	0	67,050	0	94	0	0	0	87,944	0	87,944
051043042 SANTA CLARA COUNTY	0	0	26,550	0	224	0	0	0	26,774	0	26,774
051044043 SANTA CRUZ COUNTY	0	0	0	0	0	0	0	0	0	0	0
051045044 SHASTA COUNTY	1,870,432	0	909	0	1,631	0	0	0	1,872,972	0	1,872,972
051046045 SIERRA COUNTY	680,249	0	194,850	0	160	0	0	0	875,259	0	875,259
051047046 SISKIYOU COUNTY	2,463,095	0	625,330	0	3,903	0	0	0	3,092,328	0	3,092,328
051048047 SOLANO COUNTY	0	0	0	0	0	0	0	0	0	0	0
051049048 SONOMA COUNTY	0	0	1,548,524	0	41	0	0	0	1,548,565	0	1,548,565
051050049 STANISLAUS COUNTY	0	0	0	0	177	0	0	0	177	0	177
051051050 SUTTER COUNTY	0	0	0	0	0	0	0	0	0	0	0
051052051 TEHAMA COUNTY	914,056	0	0	0	1,270	0	0	0	915,326	0	915,326
051053052 TRINITY COUNTY	2,177,746	0	0	0	1,372	0	0	0	2,179,118	0	2,179,118

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051054053 TULARE COUNTY	404,153	0	0	299	1,248	0	0	0	0	405,700	0	405,700
051055054 TUOLUMNE COUNTY	954,321	0	0	0	1,110	0	0	0	0	955,431	0	955,431
051056055 VENTURA COUNTY	18,582	0	20	0	16	0	0	0	0	18,618	0	18,618
051057056 YOLO COUNTY	0	0	4,394	0	229	0	0	0	0	4,623	0	4,623
051058057 YUBA COUNTY	71,553	0	0	0	0	0	0	0	0	71,553	0	71,553
Total	\$21,275,559 ^a	\$0 ^b	\$4,958,266 ^c	\$22,713	\$127,010	\$0 ^b	\$0 ^d	\$0 ^d	\$0 ^b	\$26,383,548	\$0	\$26,383,548

^aCalifornia Government Code Section 29484 apportions 50 percent of the payments received under this law to units of local government and 50 percent to school districts within the units of local government. Only the amounts apportioned to local governments are reportable under the Payments in Lieu of Taxes Act (Title 43, Code of Federal Regulations, Section 1881.0-5).

^bThe State of California does not receive payments under these laws.

^cCalifornia Public Resources Code Sections 2795, 3821, 3822, and 3825 and California Education Code Sections 12304-7 and 12320 govern the distribution of federal receipts under the BLM Mineral Leasing Act of 2/25/20. Accordingly, of the \$57,607,329 received under this Act during the federal fiscal year 1983-84, \$4,958,266 is considered to comprise payments to local governments per Chapter 69, Title 31, United States Code.

^dThe State of California deposits in its General Fund the payments received under this law. These payments are not considered Section 6903, Title 31, United States Code payments.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps